

**GOVERNMENT OF TELANGANA  
ABSTRACT**

RWS&S- Telangana Drinking Water Supply Project (Mission Bhagiratha) - Borrowing of loan of Rs.327.00 crores from UCO Bank for implementation of Mission Bhagiratha for providing financial assistance to 1). Augmentation work of Nalgonda under Telangana water grid in Nalgonda District with a total project cost of Rs.289.00, 2).Construction of approach channel cum collection chamber and pump house at Yellore Reservoir Segment-I in Mahabubnagar District with an estimated total project cost of Rs.120.00 Cr – Sanction of Term Loan for an amount of 327.00 crores with an estimated project cost of Rs.409.00 crores – Permission – Accorded- Orders- Issued.

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**PANCHAYAT RAJ AND RURAL DEVELOPMENT (RWS-IV) EPARTMENT**

**G.O.Rt.No.759.**

**Dated:06.12.2017.  
Read the following:-**

1. G.O.Ms.No.17, PR&RD (RWS) Dept., dt.30.1.2015 &  
G.O.Ms.No.43, PR&RD (RWS-IV) Dept., dt.15.05.2015.
- 2.G.O.Rt.No.665, PR&RD (RWS.IV) Dept., Dated.28.10.2017.
- 3.From the UCO Bank, FCC Branch, Somajiguda, Hyderabad, Lr.No.FCCHYD/TDWSC/2017-18/46, dt: 09.11.2017.
- 4.From the ENC, RWS&S, Hyd, Lr.No.A2/TDWSP/UCO Bank/2017-18, Dt.10.11.2017.

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**ORDER:-**

In G.O. 1st read above, orders have been issued constituting the Telangana Drinking Water Supply Corporation (TDWSC) to execute and maintain the Telangana Drinking Water Supply Project (Mission Bhagiratha).

2. In the reference 4<sup>th</sup> read above, the Engineer-in-Chief, Rural Water Supply & Sanitation, Hyderabad has stated that proposals were submitted to the UCO Bank for providing financial assistance for implementation of Mission Bhagiratha works i.e. 1). Augmentation work of Nalgonda under Telangana water grid in Nalgonda District with a total project cost of Rs.289.00 crores, 2) Construction of approach channel cum collection chamber and pump house at Yellore Reservoir Segment – I in Mahabubnagar Dist at an estimated total project cost of Rs.120.00 Cr. He has also stated that the UCO Bank, Hyderabad vide reference 3<sup>rd</sup> read above have sanctioned the loan for implementation of the above works for an amount of Rs.327.00 crores out of the total project cost of Rs.409.00 crore for two works (Rs.289.00 crores + Rs.120.00 crores) along with terms and conditions for acceptance of the competent authority. As such, he has requested the Govt., to provide concurrence/approval for the terms and conditions of loan sanctioned for the above works and to issue necessary orders on the required documents to be provided by the Govt., in order to execute the loan agreement with UCO Bank.

3. In the reference 2<sup>nd</sup> read above, Government have issued orders to accord permission to the MD, TDWSC to take further loan of an amount of Rs.6,365.22 crores (including the UCO Bank of Rs.327 crores out of the total project cost of Rs.409.00 crore) as against the total project cost of Rs.7,956.52 crores duly extending the Govt. guarantee and providing required margin money of Rs.1591.30 crores through budgetary support.

4. In pursuance of the orders issued in the reference 2<sup>nd</sup> read above and after examination of the matter, Government hereby accord permission to the Managing Director, Telangana Drinking Water Supply Corporation to borrow the loan amount of Rs.327.00 Crores (Rupees Three hundred and Twenty Seven crores only) from the UCO Bank with an estimated project cost of Rs.409.00 crores for implementation of Mission Bhagiratha for Providing Financial Assistance to 1). Augmentation work of Nalgonda under Telangana water grid in Nalgonda District with a total project cost of Rs.289.00, 2).Construction of approach channel cum collection chamber and pump house at Yellore Reservoir Segment – I in Mahabubnagar Dist at an estimated total project cost of Rs.120.00 Cr as per the terms and conditions of UCO Bank at the Rate of Interest (RoI) 8.95% p.a i.e., 1 year MCLR+0.50% p.a. at present, at monthly rests

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and interest is to be reset on yearly basis. He is also permitted to execute loan agreement with UCO Bank. Government of Telangana will stand as guarantee for repayment of loan taken from UCO Bank covering principal and interest. The State margin money (i.e., 20% project cost) of Rs.82.00 (Rupees Eighty Two crores only) will be met by the Government of Telangana through budgetary support. The terms and Conditions approved by the Govt., are appended as annexure to this order.

5. The guarantee commission shall be paid at the rate of 2% consolidated for the entire guarantee period, as the guarantee commission can't be exempted as per RBI Guidelines. The TDWSCL shall remit the amount to Government to the following Head of Account: "0070 Other Administrative Services – 60. Other Services – MH 800. Other Receipts – SH 08 Commission for guarantee given by Government".

6. The Managing Director, Telangana Drinking Water Supply Corporation shall take necessary action in the matter accordingly.

7. This order issues with the concurrence of the Finance (DCM) Department vide their U.O.No.14336/184/A1/2017, dt.30.11.2017.

8. This order is available on online and can be accessed at the address <http://www.goir.Telangana.gov.in>.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)**

**S.P. SINGH  
CHIEF SECRETARY TO GOVERNMENT &  
SPECIAL CHIEF SECRETARY TO GOVERNMENT (RWS) (FAC)**

To

The Managing Director, Telangana Drinking Water Supply Corporation, Hyderabad.

The Director of Treasuries and Accounts, Telangana State, Hyderabad.

The Accountant General, Telangana State, Hyderabad.

**Copy to:**

The PS to Secretary to Hon'ble Chief Minister,

The Finance (DCM) Department.

The PS to C.S & Special Chief Secretary(RWS)(FAC).

The Engineer -in-Chief, RWS&S, Hyderabad.

The UCO Bank, Hyderabad through ENC, RWS&S, Hyderabad.

The Advisor to Govt., RWS&S.,

SC/SF.

**//FORWARDED: BY ORDER//**

**SECTION OFFICER**

**(Contd....Annexure)**

**ANNEXURE to the G.O.Rt.No.759, PR&RD (RWS.IV) Dept., Dated.06.12.2017**

The terms and conditions approved by the Government

Nature of the facility : Term Loan		
Amount	<b>Rs. 327.00 crores (Fresh sanction)</b>	
Purpose	<p>Sanction of fresh Term Loan of Rs.327.00 Crore , at 1 year MCLR+0.50% p.a. i.e., @ 8.95% p.a. at present, under sole banking, for financing total project cost of Rs. 409.00 crore for :</p> <p>(a) Augmentation works of Nalgonda under Telangana water grid in Nalgonda District - project cost of Rs.289.00 crores.</p> <p>(b) Construction of approach channel cum collection chamber and pump house at Yellore Reservoir Segment –I in Mahabubnagar Dist - project cost of Rs.120.00 cr.</p>	
Rate of Interest	<p>1 year MCLR+0.50% p.a. i.e., @ 8.95% p.a. at present, at monthly rests.</p> <p>Interest is to be reset on yearly basis.</p>	
<p>Repayment: As given below :</p> <p>Repayment Schedule:</p>		
(Rs. in crore)		
YEAR	REPAYMENT IN %	AMOUNT
1 2019-20	4	13.08
2 2020-21	5	16.35
3 2021-22	5	16.35
4 2022-23	8	26.16
5 2023-24	8	26.16
6 2024-25	10	32.70
7 2025-26	10	32.70
8 2026-27	10	32.70
9 2027-28	10	32.70
10 2028-29	10	32.70
11 2029-30	10	32.70
12 2030-31	10	32.70
	100	327.00
Processing charges	0.10% of loan amount plus applicable taxes.	
Documentation charges , all other charges including, prepayment charges, commitment charges,	Waived	
Banking arrangement	Under sole banking.	
Documents	Under sole banking as per extant guidelines	
DCCO	Project will get completed by December 2018/March 2019. However, actual DCCO will be documented at the time of first disbursement .	
Security	As mentioned below	

**Primary securities:** [Fresh term Loan]:- By way of exclusive hypothecation on project assets created out of term loan funded by our Bank.

**Collateral Security:** Nil.

**State Government Guarantee:** Available. The exposure is secured by Unconditional and Irrevocable guarantee of Government of Telangana guaranteeing the repayment of Principal and Interest. Hence non availability of the tangible collateral security may not be viewed with concern. Further the exposure is secured by the assets created of the Term loan to the extent of 100% of the exposure.

**Corporate Guarantee:** Nil

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**Personal Guarantee:** Nil.

9. Additional terms & conditions	As given below:
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**PRE- DISBURSEMENT CONDITIONS:**

1. Loan to be disbursed only after obtention of State Govt. of Telangana Guarantee.
2. An undertaking from authorized officer of Corporation to be obtained stating that term loan is not in lieu of or to substitute budgetary resources envisaged for the project.
3. Legal audit of loan documents to be done and irregularity, if any, be removed.
4. Properly worded Resolution of the Board should be obtained for the borrowing proposed, as well as for execution of documents and persons authorized for executing the Documents. It should be ensured that the Corporation is having necessary borrowing powers and do not violate any of the provisions of law.
5. The Corporation to undertake to utilize the funds for the purpose for which the subject loan has been sanctioned. There should not be any diversion for other purposes.
6. The Corporation shall obtain all the approvals required for implementation of the project.
7. The Corporation to arrange for submission of Letter of Commitment / Government order from the finance department, Government of Telangana for contributing to 20% of the Project Cost as margin in addition to IDC and continue the same till the entire outstanding with the bank is cleared.
8. The Corporation shall submit resolution under Companies Act 2013 fixing its borrowing limit.
9. The Corporation to undertake to service the bank loans from project revenues.
10. The Corporation shall undertake that in case of any cost overrun , the same would be funded by corporation without any recourse to bank.
11. The Corporation shall undertake that in the event of reduction in the project cost on account of any savings from duties / taxes, price negotiation etc. there will be a pro rata reduction in means of finance also.
12. All the out of pocket expenses including stamp duty charges , ROC filing charges , search report , etc. to be borne by the Corporation.
13. Corporation to ensure that necessary land is acquired for smooth implementation of the project.

**14. Other Conditions:**

1. It should be ensured that registration of charges with ROC for credit facility has been created and necessary search report is obtained. A confirmation for the compliance of the same to be informed to CO.
2. The corporation to give an undertaking that there is no inter-state disputes that effect the progress / implementation of the project.
3. End use of funds should be ensured.
4. The Corporation to submit audited financial statements of its working results at regular intervals.
5. In case the Corporation, commits default in the repayment of loan/advance or in the payment of interest thereon or any of the agreed installments of the loan on due date, the bank, CIBIL/ other credit information agency and/or RBI will have an unqualified right to disclose or publish the names of the concern and its partners as defaulters in such manner and through such medium as the bank/RBI in their absolute discretion may think fit.
6. KYC/AML & CFT guidelines of RBI are to be complied with.

**Disbursement of the term loan as per disbursement mechanism mentioned as below:**

- Expenditure Estimate shall be submitted by the corporation based on which bank shall release 80% of the cost estimate. After the payment / pass memo by Finance Department, the share of Government (i.e. margin of 20%) will be released and the Corporation shall incur the expenditure. The request for disbursement of term loan would be supported with the Monitoring Reports of WAPCOS and audited expenditure certified by TDWSCL's internal auditor.
- Certificate for the expenditure incurred out of term loan availed earlier will be issued by External agency (Chartered Accountant) and the same would be submitted by the corporation before approaching for subsequent disbursement.
- The disbursement of term loan is required on advance basis as the work has already been started and the Government has already infused the funds for the same. The Corporation will submit the bill / invoice after disbursement of the entire amount i.e. including margin money of 20%.
- Quarterly progress report of WAPCOS is to be submitted.

**S.P. SINGH  
CHIEF SECRETARY TO GOVERNMENT &  
SPECIAL CHIEF SECRETARY TO GOVERNMENT(RWS) (FAC)**

**SECTION OFFICER**